

HOUSE BILL No. 1264

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-2-128; IC 8-1.3.

Synopsis: Sustainable energy. Establishes the sustainable energy institute to: (1) ensure that utility customers may participate in and benefit from sustainable energy programs; and (2) promote and implement sustainable energy programs. Establishes the sustainable energy board to monitor the progress of the institute in implementing sustainable energy programs. Requires energy utilities to contract with the sustainable energy institute to provide energy efficiency and demand side management services to customers. Allows an energy utility to recover costs associated with sustainable energy programs. Establishes the advanced sustainable energy research and development account in the state general fund to provide grants and loans for sustainable energy research and development projects. Requires the sustainable energy board to administer the account and consider applicants for grants and loans from the account.

Effective: Upon passage.

Pierce, Pelath, Kromkowski

January 10, 2006, read first time and referred to Committee on Utilities and Energy.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1264

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-2-128 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 128. (a) Notwithstanding any other law, an**
4 **energy utility (as defined in IC 8-1-2.5-2) shall provide the energy**
5 **utility's retail customers with the services of the sustainable energy**
6 **institute established by IC 8-1.3-4-1.**

7 **(b) An energy utility shall do the following:**

8 **(1) Contract with the sustainable energy institute for the**
9 **institute's services. The commission shall prescribe a standard**
10 **form for a contract under this subdivision and must approve**
11 **a contract under this subdivision.**

12 **(2) Pay the energy utility's proportionate share of the expense**
13 **of the services of the institute. The commission shall**
14 **determine the energy utility's proportionate share based on**
15 **the energy utility's share of retail energy use in Indiana.**

16 **(c) An energy utility shall pay the energy utility's proportionate**
17 **share of the expenses of the sustainable energy board established**



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by IC 8-1.3-3-1. The commission shall determine the energy utility's proportionate share based on the energy utility's share of retail energy use in Indiana.

(d) The expenses of the sustainable energy board in a fiscal year equals the sum of:

(1) the budget of the board approved by the general assembly for the fiscal year; plus

(2) one hundred thousand dollars (\$100,000) designated for a contingency fund.

Expenses of the board include funding for the advanced sustainable energy research and development account established by IC 8-1.3-5-2. However, the funds provided by the board to the account may not exceed ten percent (10%) of the board's total annual budget under subdivision (1). An expenditure from the contingency fund described in subdivision (2) is subject to approval by the governor and the budget agency.

(e) An energy utility shall pay to the sustainable energy board on a quarterly basis twenty-five percent (25%) of the energy utility's annual share of the expenses of the board. However, an energy utility may pay one hundred percent (100%) of the energy utility's annual share of the expenses of the board at the beginning of the energy utility's fiscal year.

(f) The costs of the sustainable energy board and the services of the sustainable energy institute paid by an energy utility are allowable operating expenses for retail ratemaking purposes. An energy utility may petition the commission under IC 8-1-2-42 to recover the energy utility's expenses under this section through a tracking mechanism.

(g) Upon petition by an energy utility under subsection (f), the commission, after notice and hearing, shall allow an amount equal to ten percent (10%) of the net annual savings resulting to an energy utility's retail customers from the services of the sustainable energy institute, as calculated by the institute and approved by the commission, as an allowable increment to the energy utility's return for retail ratemaking purposes. An increment to return allowed under this subsection shall be instead of lost margin recovery or other means by which an energy utility may be compensated for any reduction resulting from programs established under IC 8-1.3.

SECTION 2. IC 8-1.3 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

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ARTICLE 1.3. SUSTAINABLE ENERGY

Chapter 1. Purpose and Findings

Sec. 1. The general assembly makes the following findings:

(1) A diverse portfolio of clean and reliable energy resources is critical to Indiana's economy and environmental and public health protection efforts.

(2) There is significant potential in Indiana for the deployment of sustainable energy resources, including end use energy efficiency improvements, renewable energy, and sustainable distributed technologies.

(3) Sustainable energy resources may be deployed in a quick and cost effective manner to assist in meeting Indiana's rising demand for energy in both the short and long term.

(4) Efficiency measures and decentralized sustainable sources of power can enhance the reliability of Indiana's electric and natural gas delivery systems.

(5) Sustainable energy resources can create jobs in many sectors of the economy and bolster Indiana's manufacturing base.

(6) Aggressive measures to deploy sustainable energy resources reduce volatility of fuel prices, including natural gas.

(7) Sustainable energy resources reduce overall energy costs.

(8) Deploying sustainable energy resources can ameliorate increasing environmental compliance costs.

(9) Despite the inherent public benefits of sustainable energy resources, institutional, behavioral, and economic barriers to deploying these resources exist.

(10) It is in the public interest for the state to encourage deployment of sustainable energy resources.

Sec. 2. The purpose of this article is to establish a statewide sustainable energy program to:

(1) overcome institutional, behavioral, and economic barriers to deployment of sustainable energy resources;

(2) realize the economic, environmental, public health, and system reliability benefits inherent in deploying sustainable energy resources; and

(3) provide Indiana citizens with a comprehensive and uniformly implemented set of sustainable energy initiatives.

Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

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1 **Sec. 2. "Account" refers to the advanced sustainable energy**
 2 **research and development account established by IC 8-1.3-5-2.**

3 **Sec. 3. "Biomass" means any of the following:**

4 **(1) Closed loop biomass.**

5 **(2) Nonhazardous cellulosic waste material that:**

6 **(A) does not contain painted, treated, or pressurized wood**
 7 **or wood contaminated with plastics or metals;**

8 **(B) is segregated from other waste materials; and**

9 **(C) is derived from forest related resources, including:**

10 **(i) mill residues;**

11 **(ii) precommercial thinnings;**

12 **(iii) slash; and**

13 **(iv) brush, except old growth timber, black liquor, and**
 14 **materials from national forests unless the materials are**
 15 **in the form of paper mill waste.**

16 **(3) Waste pallets, crates, dunnage, and landscape or**
 17 **right-of-way trimmings, except municipal solid waste,**
 18 **postconsumer wastepaper, construction debris, and**
 19 **demolition debris.**

20 **(4) Agricultural byproducts, including byproducts from:**

21 **(A) orchards;**

22 **(B) vineyards;**

23 **(C) grain;**

24 **(D) legumes;**

25 **(E) sugar; or**

26 **(F) other crops.**

27 **(5) Gases from municipal wastewater.**

28 **Sec. 4. "Board" refers to the sustainable energy board**
 29 **established by IC 8-1.3-3-1.**

30 **Sec. 5. "Central station facility" means:**

31 **(1) a baseload;**

32 **(2) an intermediate; or**

33 **(3) a peaking;**

34 **electric power generating facility that is used to generate electricity**
 35 **primarily for the wholesale or retail electric markets.**

36 **Sec. 6. "Closed loop biomass" means organic material from a**
 37 **plant that is planted exclusively to be used to produce electricity.**

38 **Sec. 7. "Commission" refers to the Indiana utility regulatory**
 39 **commission created by IC 8-1-1-2.**

40 **Sec. 8. (a) "Distributed energy resource" means:**

41 **(1) end use energy efficiency improvements; or**

42 **(2) electricity that primarily serves a customer's load and is**

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produced from:

- (A) renewable energy resources;
- (B) microturbines;
- (C) internal combustion engines;
- (D) Stirling engines;
- (E) combined heat and power systems; or
- (F) district energy systems.

(b) The term does not include the following:

- (1) A central station facility.
- (2) Electric power generators that use:
 - (A) diesel fuel, except biodiesel;
 - (B) fuel oil;
 - (C) gasoline;
 - (D) nuclear fuel; or
 - (E) coal.

Sec. 9. (a) "End use energy efficiency improvement" means the use or installation of a device, method, or project on the customer side of an energy utility metering device that reduces electrical or natural gas energy usage.

(b) The term includes the following:

- (1) Home weatherization.
- (2) Appliance efficiency modifications or replacements.
- (3) Motor efficiency modifications or replacements.
- (4) Lighting efficiency modifications.
- (5) Heating or air conditioning modification or replacements.
- (6) Systems, including thermostats, lighting controls, and operational controls, to turn off or vary the delivery of energy.
- (7) Building designs with the purpose of achieving end use energy reductions.

Sec. 10. "Energy utility" has the meaning set forth in IC 8-1-2.5-2.

Sec. 11. "Gas distribution company" means a corporation, a company, a partnership, a limited liability company, an individual, an association of individuals, or a lessee, trustee, or court approved receiver of an entity described in this section that distributes natural gas to retail customers.

Sec. 12. "Institute" refers to the sustainable energy institute established by IC 8-1.3-4-1.

Sec. 13. "Renewable energy" means energy derived from any of the following sources:

- (1) Solar photovoltaic and solar thermal energy.

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- (2) Wind.
- (3) Fuel cells.
- (4) Geothermal energy conversion.
- (5) Biomass.

Sec. 14. "Sustainable energy" means:

- (1) an end use energy efficiency improvement;
- (2) renewable energy; or
- (3) a distributed energy resource.

Chapter 3. Sustainable Energy Board

Sec. 1. The sustainable energy board is established.

Sec. 2. (a) The board consists of the following members:

- (1) The lieutenant governor or the lieutenant governor's designee.
- (2) The chairman of the commission or the chairman's designee.
- (3) The utility consumer counselor or the utility consumer counselor's designee.
- (4) Two (2) members of the senate, who may not be of the same political party, appointed by the president pro tempore of the senate.
- (5) Two (2) members of the house of representatives, who may not be of the same political party, appointed by the speaker of the house of representatives.
- (6) Eighteen (18) members appointed by the governor as follows:
 - (A) One (1) representative of public or private universities in Indiana. The member appointed under this clause must have building design expertise.
 - (B) One (1) representative of investor owned electric utilities.
 - (C) One (1) representative of investor owned gas distribution companies.
 - (D) One (1) representative of a statewide municipal utility organization.
 - (E) Two (2) representatives of statewide rural electric cooperative organizations.
 - (F) One (1) representative of Energy Star appliance manufacturers.
 - (G) One (1) representative of a statewide business organization.
 - (H) One (1) representative of an energy service company that is not a subsidiary of an investor owned electric or gas

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distribution utility.

(I) One (1) representative of an energy service company that is a subsidiary of an investor owned electric or gas distribution utility.

(J) One (1) representative of a statewide consumer organization that represents low income and residential utility ratepayers.

(K) One (1) representative of a statewide environmental organization.

(L) One (1) representative of a statewide electric or sheet metals contractors organization.

(M) One (1) representative of a statewide heating and air conditioning installation organization.

(N) One (1) representative of a labor organization from the heating and air conditioning industry.

(O) One (1) representative of a labor organization from the electrical construction industry.

(P) One (1) representative of a statewide home construction association.

(Q) One (1) representative of a statewide public health organization.

(b) Except as provided in section 5 of this chapter, a member described in subsection (a)(1) through (a)(5) is a nonvoting member.

(c) The appointments made by the governor under subsection (a)(6) must be made in accordance with recommendations provided by the organizations described in subsection (a)(6).

Sec. 3. (a) Members of the board must be appointed not more than sixty (60) days after the board is established. Except as provided in subsection (b), each member appointed under section 2(a)(6) of this chapter serves a term of four (4) years beginning on the date of the member's appointment and until the member's successor is appointed.

(b) The governor shall prescribe the terms of the members initially appointed under section 2(a)(6) of this chapter so that the terms are staggered. After the initial appointments under section 2(a)(6) of this chapter, a member appointed by the governor serves a term of four (4) years and until the member's successor is appointed.

(c) The governor shall fill a vacancy on the board under section 2(a)(6) of this chapter not more than thirty (30) days after the vacancy occurs. A person appointed to fill a vacancy shall serve the

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1 remainder of the term of the board member the person replaces.

2 Sec. 4. (a) A member of the board who is not a state employee is
3 not entitled to the minimum salary per diem provided by
4 IC 4-10-11-2.1(b). The member is, however, entitled to
5 reimbursement for travel expenses as provided in IC 4-13-1-4 and
6 other expenses actually incurred in connection with the member's
7 duties as provided in the state policies and procedures established
8 by the Indiana department of administration and approved by the
9 budget agency.

10 (b) A member of the board who is a state employee but who is
11 not a member of the general assembly is not entitled to
12 compensation. The member is, however, entitled to reimbursement
13 for travel expenses as provided in IC 4-13-1-4 and other expenses
14 actually incurred in connection with the member's duties as
15 provided in the state policies and procedures established by the
16 Indiana department of administration and approved by the budget
17 agency.

18 (c) A member of the board who is a member of the general
19 assembly is entitled to receive the same per diem, mileage, and
20 travel allowances paid to legislative members of interim study
21 committees established by the legislative council. Per diem,
22 mileage, and travel allowances paid under this subsection are paid
23 from appropriations made to the legislative council or the
24 legislative services agency.

25 Sec. 5. The governor shall appoint one (1) member of the board
26 appointed under section 2(a)(1) through 2(a)(5) of this chapter to
27 serve as chairperson. The chairperson shall do the following:

- 28 (1) Act as executive and operating officer of the board.
- 29 (2) Determine the time and place of meetings.
- 30 (3) Preside at meetings.
- 31 (4) Implement the policies of the board.
- 32 (5) Perform all other duties and functions assigned by the
33 board or by law.

34 The chairperson may vote on any matter before the board only to
35 break a tie vote.

36 Sec. 6. (a) The board shall meet at least quarterly.

37 (b) The meetings of the board shall be open to the public under
38 IC 5-14-1.5.

39 (c) The board shall give notice of a board meeting in accordance
40 with IC 5-14-1.5-5(b) at least fourteen (14) days before the meeting.

41 (d) The board shall give a person who attends a public meeting
42 of the board an adequate opportunity to comment through the oral

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or written presentation of facts or argument.

(e) The board shall maintain and make available for public inspection written comments submitted to the board.

(f) A majority of the voting members of the board constitutes a quorum for doing business. Except as otherwise provided by law, the affirmative vote of a majority of the voting members present is necessary for the passage of any matter put to a vote.

(g) The board shall establish procedures and requirements governing the conduct of the board's meetings.

Sec. 7. (a) The board shall do the following:

(1) Assess the progress of the institute in implementing this article.

(2) Hire a director for the institute under IC 8-1.3-4-2(d).

(3) Provide a forum for discussing matters concerning implementation of this article.

(4) Receive public complaints and inquiries concerning the implementation of this article.

(5) Review the annual report submitted by the institute under IC 8-1.3-4-8.

(6) Subject to section 8 of this chapter, receive, expend, and account for funds of the board, including money made available to the institute.

(7) Apply for and accept gifts and grants made for the purposes of this article. Gifts and grants received under this subdivision must be administered as public money.

(8) Appoint a program liaison to:

(A) staff the board; and

(B) assess the operations and progress of the institute.

(9) Approve disbursements from the account.

(b) The board, on the board's own initiative or at the request of any person, may direct the institute to study and formulate recommendations on particular issues concerning the implementation of this article.

Sec. 8. (a) The board shall appoint a fiscal agent to receive and disburse funds of the board, including funds made available to the institute.

(b) Expenses of the board shall be charged and paid for in the manner provided by IC 8-1-2-128.

Chapter 4. Sustainable Energy Institute

Sec. 1. The sustainable energy institute is established.

Sec. 2. (a) The board shall appoint a university or nonprofit entity located in Indiana to house and operate the institute.

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1 (b) The board shall:

2 (1) develop criteria to select a university or nonprofit entity to
3 house and operate the institute; and

4 (2) adopt guidelines to govern the application and selection
5 process, including the development of an application form.

6 (c) A university or nonprofit entity shall submit with its
7 application form a statement indicating the types of services,
8 programs, and priorities related to sustainable energy that the
9 institute will offer.

10 (d) After selecting a university or nonprofit entity to house and
11 operate the institute, the board shall hire a person, qualified by
12 appropriate experience and knowledge of sustainable energy
13 resources, to serve as the director of the institute. The director
14 shall manage, supervise, and control the affairs of the institute. The
15 director's compensation shall be set by the board.

16 Sec. 3. (a) The institute shall promote the implementation of
17 sustainable energy technologies and measures in Indiana. The
18 institute shall do the following to fulfill its duties under this article:

19 (1) Develop comprehensive and uniform sustainable energy
20 programs to be implemented in all gas and electric utility
21 service areas throughout Indiana.

22 (2) Ensure that all Indiana electric and gas utility ratepayers
23 are given the opportunity to participate in and benefit from
24 comprehensive sustainable energy programs and initiatives
25 designed to overcome barriers to implementation.

26 (3) Ensure that resources used to implement programs
27 developed by the board and the institute are distributed
28 equitably throughout Indiana based on:

29 (A) customer classes;

30 (B) geographic regions; and

31 (C) gas and electric utility service areas.

32 (4) Coordinate programs established under this article with:

33 (A) low income weatherization programs;

34 (B) state or federal energy efficiency and renewable energy
35 programs;

36 (C) other state agencies as appropriate; and

37 (D) other efficiency and renewable energy programs
38 approved by the board.

39 (5) Take any other actions necessary to carry out the purposes
40 of this article.

41 (b) The institute shall track its progress in meeting its
42 obligations under subsection (a) and report to the board at least

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1 annually and upon request.

2 (c) The institute may enter into contracts with public and
3 private entities to implement this article.

4 Sec. 4. (a) The institute shall make the following programs and
5 services available to the public and to energy utilities:

6 (1) Initiatives to educate businesses, policymakers, and the
7 public about the benefits of sustainable energy resources.

8 (2) Programs to assist commercial and industrial energy
9 consumers in making sustainable energy purchases when
10 replacing or remodeling existing equipment and facilities.

11 (3) Programs to assist and train energy auditors.

12 (4) Programs to assist commercial and industrial energy
13 consumers in taking advantage of opportunities to gain
14 energy savings through incremental investments during
15 construction of new facilities.

16 (5) Programs to allow eligible commercial and industrial
17 customers, subject to criteria developed by the institute, to
18 implement sustainable energy measures on their own
19 premises and receive partial refunds of their contributions to
20 the account.

21 (6) Programs that use a combination of cash incentives,
22 energy ratings, technical assistance, education, direct
23 installation of energy efficiency measures, energy efficient
24 mortgages, and strategic partnerships to introduce high
25 efficiency technologies and building practices into Indiana.

26 (7) Programs that:

27 (A) target low income families;

28 (B) build on Indiana's weatherization program for single
29 family homes; and

30 (C) provide technical assistance, education, and direct
31 installation of energy efficiency measures for multiple
32 family units.

33 (8) Programs to transform the market for end use energy
34 efficiency improvements in terms of the mix of products and
35 in consumer choices through a combination of incentive
36 programs, marketing, and coordination with vendors and
37 market participants, including high efficiency residential
38 lighting products and home appliances.

39 (9) Programs that provide incentives for, or engage in,
40 research and activities supporting new sustainable energy
41 technologies and applications.

42 (10) Programs and initiatives developed by other

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1 organizations and parties that contribute to fulfilling the
2 institute's mission and duties under this article.

3 (11) Programs to analyze and evaluate the need for changes
4 to building codes in terms of energy efficiencies and savings
5 benefits.

6 (12) Programs to analyze and evaluate barriers to deploying
7 distributed resources.

8 (13) Initiatives to promote the use of renewable resources by
9 Indiana consumers and businesses.

10 (14) Initiatives to promote the development of renewable
11 energy resources and businesses in Indiana.

12 (15) Initiatives to improve the reliability of electric
13 transmission and distribution systems through the use of
14 distributed energy resources.

15 (16) Other programs and initiatives designated by the board.

16 (b) The institute shall develop and submit to the board a five (5)
17 year plan for meeting the goals and purposes of this article.

18 Sec. 5. A program or initiative developed by the institute
19 supersedes and replaces any efficiency and demand side
20 management program sponsored or initiated by an energy utility.

21 Sec. 6. (a) The state board of accounts shall annually audit the
22 institute.

23 (b) The institute shall pay the full costs of the audit required by
24 subsection (a).

25 Sec. 7. Debts incurred by the institute under this article do not
26 constitute a debt of the state within the meaning of the Constitution
27 of the State of Indiana or Indiana law.

28 Sec. 8. (a) The institute shall submit a report before July 1 of
29 each year to the governor, the board, and, in an electronic format
30 under IC 5-14-6, the legislative council.

31 (b) A report submitted under subsection (a) must include the
32 following:

33 (1) A statement of the institute's revenues by source and
34 expenditures by purpose.

35 (2) Statistics relevant to the programs and operations of the
36 institute.

37 (3) A description of the institute's goals, legal responsibilities,
38 and accomplishments.

39 (4) An assessment of renewable energy markets and of the
40 potential for the implementation of energy efficiency
41 improvements and renewable energy in Indiana.

42 (5) Suggestions for legislation and the rationale for the

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suggestions.

(6) The progress in carrying out the plan required by section 4(b) of this chapter.

(7) Any comments or proposals that a board member gives to the director of the institute to include in the report.

(8) Reductions in demand or in growth of demand for electricity and natural gas as a result of sustainable energy technologies implemented under this article.

(9) Savings to customers as a result of demand reductions.

(10) Deployment of sustainable energy technologies.

(11) Any other matter the institute wishes to bring to the attention of the governor, the board, and the legislative council.

(c) The institute shall conduct a meeting to receive comments from interested parties concerning the report required under subsection (a) before the report is submitted to the governor, the board, and the legislative council.

Sec. 9. The assessment required by section 8(b)(4) of this chapter must include the following:

(1) Short term and long term energy costs.

(2) An analysis of the barriers to and potential of sustainable energy resources in Indiana and the region.

(3) An estimate of existing investments in sustainable energy resources in Indiana.

(4) An estimate of probable future market driven investments in sustainable energy resources in Indiana.

(5) A recommendation concerning the optimal extent, size, mix, and general location of sustainable energy resources to achieve maximum efficiencies and benefits for the citizens of Indiana.

(6) Societal costs and benefits of sustainable energy, including the following:

(A) Impact on electric and natural gas system reliability.

(B) Impact on public health costs.

(C) Impact on environmental quality and cost savings to the citizens of Indiana.

(D) Impact on competitive electric and natural gas markets.

(E) Impact on economic growth, including employment opportunities.

(F) Other issues the institute considers relevant.

Sec. 10. (a) The fiscal agent appointed by the board under

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1 IC 8-1.3-3-8 shall receive and disburse funds of the institute.

2 (b) Expenses incurred by the institute shall be paid:

3 (1) in the manner provided by IC 8-1-2-128;

4 (2) from appropriations to the institute from any source;

5 (3) from grants, gifts, and donations, from public or private
6 sources, that are designated for use by the institute;

7 (4) from interest that accrues from funds received by the
8 institute; or

9 (5) from any combination of sources listed in subdivisions (2)
10 through (4).

11 Chapter 5. Advanced Sustainable Energy Research and
12 Development Account

13 Sec. 1. As used in this chapter, "qualified entity" means:

14 (1) a business;

15 (2) a business organization;

16 (3) an educational institution; or

17 (4) a research institution;

18 located in Indiana.

19 Sec. 2. (a) The advanced sustainable energy research and
20 development account is established in the state general fund to
21 support sustainable energy research and development projects
22 through grants and loans to qualified entities. The account shall be
23 administered by the board.

24 (b) The account consists of:

25 (1) funding provided by the board under IC 8-1-2-128(d); and

26 (2) money from any other source, including gifts and grants,
27 investment earnings, and money appropriated to the account
28 by the general assembly or any other source.

29 (c) The board's expenses in administering the account shall be
30 paid from money in the account.

31 (d) The treasurer of state shall invest the money in the account
32 not currently needed to meet the obligations of the account in the
33 same manner as the treasurer may invest other public funds.

34 (e) Money in the account at the end of a state fiscal year does not
35 revert to the state general fund.

36 Sec. 3. A qualified entity may apply to the board for a grant or
37 loan from the account to be used for a sustainable energy research
38 and development project. The board shall prescribe an application
39 form to be used by qualified entities that apply for funds under this
40 section. An application under this section must include the
41 following:

42 (1) A fully elaborated technical or business plan for the

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proposed project. A plan submitted under this subdivision must be appropriate for review by outside experts.

(2) A detailed financial analysis of the project, including the commitment of resources by other entities that will be involved in the project.

(3) A statement of the economic development potential of the project, such as:

(A) a statement of the way in which support from the fund will lead to significantly increased funding from federal or private sources or from private sector research partners; and

(B) a projection of the number and types of jobs to be created, if applicable.

(4) The identity, qualifications, and obligations of the applicant.

(5) Any other information the board considers appropriate.

Sec. 4. In making a determination on awarding a grant or loan under this chapter, the board shall be advised by a peer review panel described in section 5 of this chapter and shall consider the following:

(1) The ability of the project to transfer research and technology into a marketable sustainable energy product.

(2) The predicted future success of obtaining federal or private funding for the project.

(3) The extent to which the project evidences interdisciplinary or interinstitutional collaboration among two (2) or more Indiana institutions of higher education or private sector partners, as well as cost sharing and partnership support from the business community.

Sec. 5. The board shall establish a peer review panel to:

(1) review sustainable energy research and development project proposals submitted to the board under this chapter; and

(2) make recommendations to the board on the proposals reviewed under subdivision (1).

The board may contract with a grant office established under IC 4-4-32-3 to establish the peer review panel under this section. The requirements for establishing a peer review panel under IC 5-28-16-4(d) apply to a peer review panel established under this section.

SECTION 3. An emergency is declared for this act.

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